

### **LEASE AND RENTAL PROPERTY INSTRUCTIONS**

The depreciation percentage to be used is determined by the year the equipment was acquired.

1. Equipment leased or rented that meets all of the following criteria to qualify as class six property **is exempt**:
  - (a) the acquired cost of the personal property is less than \$15,000;
  - (b) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals wherein no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and
  - (c) the lease of the personal property is generally on an hourly, daily, or weekly basis.
2. Lease or rental equipment that is leased or rented on an hourly, daily or weekly basis, but does not meet **all** of the above criteria should be valued using the lease & rental depreciation tables. However, this property is assessed and taxed in class 8.
3. Lease and rental equipment that does not meet **any** of the qualifications, should be valued and assessed as other like equipment.
4. When a special mobile permit (SM plate), as defined in 61-1-104, MCA is purchased for lease and rental equipment, this equipment will be classified and valued the same as other SM equipment in Class 8.

Goods held for lease or rent should **not** be considered business inventory.

**Example:** If the item cost \$750 and was acquired in 2000, the present market value would be  $\$750 \times 20\% = \$150$ , market value. If the item was acquired in 2000 for \$125 the market value would be  $\$125 \times 8\% = \$10$  market value.

$$\begin{aligned}\$750 \times 20\% &= \$150 \text{ market value} \\ \$125 \times 8\% &= \underline{\quad 10 \quad} \text{ market value} \\ \$160 \times 3\% &= \$5 \text{ taxable value}\end{aligned}$$

**LEASED AND RENTAL PROPERTY DEPRECIATION CHART**  
**(BEVS - SCREEN 2)**

This schedule is to be used from January 1, 2007, through December 31, 2007, (reference ARM 42.21.113).

<b><u>Year</u></b>	<b><u>Original Cost</u></b>	<b><u>Original Cost</u></b>	<b><u>Original Cost</u></b>
<b><u>Acquired</u></b>	<b><u>\$0 - 500</u></b>	<b><u>\$501 - 1500</u></b>	<b><u>\$1501 - 5000</u></b>
	(BEVS Table 6) Class 8	(BEVS Table 7) Class 8	(BEVS Table 8) Class 8
2006	70%	85%	92%
2005	43%	69%	87%
2004	19%	53%	81%
2003	8%	35%	72%
2002	8%	20%	63%
2001	8%	20%	54%
2000	8%	20%	43%
1999	8%	20%	34%
1998	8%	20%	27%
1997 and older	8%	20%	23%

**Original Acquired Cost \$5,001 - \$15,000**  
**(BEVS – TABLE 11)**

**Rental Video Tapes**  
**(BEVS – TABLE 9)**

<b><u>ACQUIRED</u></b>	<b><u>TRENDED</u></b>	<b><u>ACQUIRED</u></b>	<b><u>TRENDED</u></b>
<b><u>YEAR</u></b>	<b><u>% GOOD</u></b>	<b><u>YEAR</u></b>	<b><u>%GOOD</u></b>
2007	80%	2006	25%
2006	65%	2005	15%
2005	58%	2004 & older	10%
2004	54%		
2003	49%		
2002	44%		
2001	40%		
2000	36%		
1999	32%		
1998	31%		
1997	29%		
1996	28%		
1995	27%		
1994	26%		
1993	26%		
1992	25%		
1991	24%		
1990	24%		
1989	23%		
1988 and older	23%		